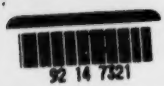

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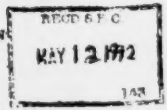

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended February 29, 1992 or

S 92-2249

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For The Transition Period From _____ To _____

PROCESSED BY
17/16/M
MAY 14 1992
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Commission File Number 33-25976-NY

Infotrax Communications, Inc.
(Exact name of Registrant as specified in its charter)

(3)

DELAWARE	23-1696000
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employee Identification Number)

1000 Crawford Place
Mt. Laurel, New Jersey 08054
(Address of principal executive offices)

(609) 234-3757
(Registrant's telephone number, including area code)

Indicate by (X) whether Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) has been subject to such filing requirements for the past 90 days.

(1) Yes X No ___

(2) Yes X No ___

Common Stock outstanding as of May 1, 1992: 2,666,667 shares of Common Stock, $.001 par value per share.

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Item 1. Financial Statements

INFOTRAX COMMUNICATIONS, INC. AND SUBSIDIARY COMPANIES
Formerly Fox Enterprises, Inc.
CONSOLIDATED BALANCE SHEETS

ASSETS

	February 29, 1992 (Unaudited)	August 31, 1991 (Audited)
Current assets:		
Cash	$ 245,360	$ 254,369
Restricted certificate of deposit	208,836	104,371
Accounts receivable net of allowance for charge backs of $184,444 and 168,209	726,906	1,609,392
Inventory	120,463	-
Prepaid expenses	157,640	11,824
Total current assets	1,459,205	1,979,956
Property assets less accumulated depreciation of $18,810 and $9,465	94,450	81,466
Deposits	12,173	4,883
Total assets	$1,565,828	$2,066,305

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:		
Notes payable - Bank	$ -	$ 190,000
Notes payable - related partnership	234,553	353,442
Notes payable - shareholders and individuals	64,500	36,469
Accounts payable and accrued expenses	837,525	948,250
Income taxes payable	-	132,207
Estimated lawsuit settlement	170,000	-
Total current liabilities	1,306,578	1,660,368
Shareholders' equity:		
Common stock, $.001 par value, 20,000,000 shares authorized, 2,666,667 shares outstanding	2,667	2,667
Additional paid-in capital	203,915	203,915
Retained earnings	52,668	199,355
Total shareholders' equity	259,250	403,937
Total liabilities and shareholders' equity	$1,565,828	$2,066,305

The accompanying notes are an integral part of these financial statements.

INFOTRAX COMMUNICATIONS, INC AND SUBSIDIARY COMPANIES
Formerly Fax Enterprises, Inc
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE SIX AND THREE MONTHS ENDED FEBRUARY 29, 1992
AND FEBRUARY 28, 1991

	Six Months		Three Months	
	1992	1991	1992	1991
Revenues:				
Services	$9,551,127	$1,578,432	$2,505,642	$ 614,282
Other income	22,648	1,870	12,796	873
Total revenues	9,573,775	1,580,302	2,518,438	615,155
Operating expenses:				
Advertising	4,710,065	647,028	1,091,026	371,805
Service bureau charges	2,089,312	450,797	488,161	226,313
Telemarketing	1,040,007	-	601,178	-
Production	743,407	69,385	203,175	45,213
General, administrative and marketing	862,638	174,933	444,843	113,367
Factoring and interest	52,813	70,429	9,219	34,108
Litigation	230,000	-	230,000	-
Total operating expenses	9,728,442	1,404,772	3,058,121	770,606
(Loss) income before income taxes	(146,667)	173,530	(539,736)	(155,451)
Provision for income taxes	-	69,000	-	-
(Loss) income before extraordinary credit	(146,667)	104,530	(539,736)	(155,451)
Extraordinary credit: Income tax reduction attributable to utilization of net operating loss carryforward	-	11,700	-	-
Net (loss) income	$ (146,667)	$ 116,230	$ (539,736)	$(155,451)
(Loss) earnings per share of common stock (Note 2):				
Average shares outstanding	2,668,667	880,250	966,917	923,584
(Loss) earnings before extraordinary credit	$ (.055)	$ .119	$ (.558)	$ (.136)
Extraordinary credit	-	.013	-	-
(Loss) earnings per share of common stock	$ (.055)	$ .132	$ (.558)	$ (.136)

The accompanying notes are an integral part
of these financial statements.

INFOTRAX COMMUNICATIONS, INC. AND SUBSIDIARY COMPANIES
Formerly Fox Enterprises, Inc.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX MONTHS ENDED FEBRUARY 29, 1992
AND FEBRUARY 28, 1991

	Common Stock		Additional Paid in	Retained
	Shares	Amount	Capital	Earnings
Balances, September 1, 1990	836,917	$ 837	$ 79,245	$(28,441)
Common stock issued	130,000	130	15,370	-
Net income	-	-	-	116,230
Balances, February 28, 1991	966,917	$ 967	$ 94,615	$ 87,789
Balances, September 1, 1991	2,666,667	$2,667	$203,915	$199,355
Net loss	-	-	-	(146,687)
Balances, February 29, 1992	2,666,667	$2,667	$203,915	$ 52,668

The accompanying notes are an integral part
of these financial statements.

INFOTRAX COMMUNICATIONS, INC. AND SUBSIDIARY COMPANIES
Formerly Fox Enterprise, Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED FEBRUARY 29, 1992
AND FEBRUARY 28, 1991

	1992	1991
Cash flows from operating activities:		
Net (loss) income	$(146,687)	$116,230
Adjustment to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation and amortization	9,345	334
Decrease (increase) in assets:		
Accounts receivable	882,486	(145,064)
Inventory	(120,463)	-
Prepaid expenses	(145,816)	(22,215)
Increase (decrease) in liabilities:		
Accounts payable	(110,725)	81,875
Income taxes payable	(132,207)	16,000
Provision for lawsuit settlement	170,000	-
Net cash provided by operating activities	405,933	47,160
Cash flows from investing activities:		
Capital expenditures	(22,329)	(45,882)
Payment for deposits	(7,290)	(4,933)
Purchase of restricted certificates of deposit	(104,465)	-
Net cash used in investing activities	(134,084)	(50,815)
Cash flows from financing activities:		
Proceeds from sales of common stock	-	15,500
Repayment under short-term loan agreement	(190,000)	-
Decrease in notes payable - related partnership	(118,889)	-
Net proceeds of officers' loans	28,031	-
Net cash (used in) provided by financing activities	(280,858)	15,500
Net (decrease) increase in cash	(9,009)	11,845
Cash, beginning of period	254,369	105,838
Cash, end of period	$ 245,360	$117,683
Supplemental Disclosures:		
Interest paid	$ 52,813	$ 70,429
Income taxes paid	$ 132,207	$ -

The accompanying notes are an integral part of these financial statements.

INFOTRAX COMMUNICATIONS, INC.
Formerly Fox Enterprises, Inc.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - The accompanying condensed financial statements have been prepared in accordance with the generally accepted accounting principles for interim financial information. Accordingly, they do not include all the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. The balance sheet as of August 31, 1991 has been derived from the audited balance sheet at that date.

NOTE 2 - (LOSS) EARNINGS PER SHARE OF COMMON STOCK - Per share amounts are computed by dividing net (loss) income by the weighted average number of common stock shares outstanding during the period. The effect of stock warrants for the six month period ending February 28, 1991 is not included because the price of common stock was less than the exercise price of the stock warrants. Also, the effect of stock warrants for the loss periods reflected would be anti-dilutive in computing loss per share.

NOTE 3 - LITIGATION - In February 1992, the Company was named as a defendant in a lawsuit filed by the Attorney General of the State of New Jersey. The Attorney General alleges that the Company participated in misleading advertising in connection with certain of its "900" number promotions. The Company believes that the provision of $200,000 that was charged to operations is sufficient to meet the expenses associated with this action.

Also in February 1992, the Company settled an investigation by the Attorney General of the State of New York into certain of the Company's "900" number promotions by paying the sum of $20,000, representing the Attorney General's costs and expenses associated with the investigation.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

General - Basis of Presentation

The Company was organized for the purpose of seeking potential business combinations which, in the opinion of management, would be in the best interests of the Company, taking into account its status as a public company. From the completion of its public offering on September 14, 1989 through April 18, 1991, the Company's activities were limited to the investigation and review of several potential business opportunities, none of which were further pursued by management. During this period, the Company's expenses were limited to those incurred in the course of such investigations and its revenues were limited to interest income on invested funds.

On April 18, 1991, an Agreement and Plan of Reorganization (the "Plan of Reorganization") was consummated whereby the Company acquired one hundred percent (100%) of the issued and outstanding common stock of a group of affiliated companies consisting of Advanced Marketing & Promotions, Inc., Touch Tone Entertainment, Inc., Consumer News Service, Inc. and Infotrax, Inc. (collectively the "Acquiree Companies") in exchange for the issuance of 2,266,667 shares of the Company's common stock to the historic shareholders of the Acquiree Companies. The Acquiree Companies were, at the time of the Plan of Reorganization, newly formed, development stage companies having recently commenced the business of the sale of goods and services through direct response marketing. As a consequence of the Plan of Reorganization, the historic shareholders of the Acquiree Companies control approximately 85% of the common stock of the Company.

In order to properly reflect the economic substance of the Plan of Reorganization, the underlying transactions have been accounted for as a "reverse acquisition" using the Pooling of

Interests method of accounting; in effect, accounting for the transaction as a recapitalization of the Acquiree Companies and the purchase of the Company by the Acquiree Companies. Therefore, in accordance with generally accepted accounting principles, the financial statements reflect the combined results of operations for the Company and the Acquiree Companies for the periods therein indicated. Inasmuch as the Company generated only interest income during the periods prior to the Plan of Reorganization, the operations of the Acquiree Companies account principally for the results of operations reflected.

Results of Operations

For the quarter ended February 29, 1992 (the "Current Quarter"), the Company generated total revenues of $2,518,438, which reflects a decrease of $4,536,899 from the revenues realized during the quarter ended November 30, 1991 (the "Prior Quarter") during which the Company generated $7,055,337 in total revenues. Operating expenses decreased $3,604,074 from $6,662,268 in the Prior Quarter to $3,058,194 in the Current Quarter. This decrease is largely due to the Company making fewer expenditures for advertising (down $2,526,813) and service bureau charges (down $1,113,190). The Company experienced a net loss of $539,756 in the Current Quarter as compared to net income of $234,069 in the Prior Quarter.

As compared to the quarter ended February 28, 1991 (the "Prior Year Quarter"), revenues for the Current Quarter have increased significantly. Inasmuch as the Company remained in a developmental stage during the Prior Year Quarter, no meaningful comparison can be offered. It is not likely, therefore, that the increase in revenues from the Prior Year Quarter to the Current Quarter will provide any material trends towards increasing revenues in the future.

The decrease in revenues experienced by the Company during the Current Quarter is attributable, in large part, to the discontinuance by the Company of direct mail promotions which had become unprofitable as a result of declining consumer interest and which had become the focus of significant regulatory scrutiny. Advertising expenses and service bureau charges decreased in the Current Quarter as a consequence of such discontinuance of these direct mail promotions. Inasmuch as direct mail promotions had previously been the major source of revenue for the Company, accounting for in excess of 75% of the Company's gross revenues, the discontinuance of such programs has had, and may continue to have, an immediate adverse impact on the Company's revenues and net income.

Having discontinued most of its direct mail programs, during the Current Quarter the Company has generated a significant percentage of its revenues from live programs offered through "900" number phone lines (i.e., horoscopes and psychic readings), service bureau activities and media buying services. The Company has marketed and is preparing to release for nation-wide distribution, on broadcast and cable television, a 30 minute infomercial for live "900" psychic services. Although the results of initial test marketing have been positive, there can be no assurances that each or any of these programs can be undertaken successfully on a commercial basis.

The Company is currently test marketing new promotions offering hard goods for sale through direct response marketing. Although extensive test marketing of each program is undertaken by the Company, since direct marketing programs rely upon consumer acceptance of each separate program, management cannot provide any reasonable basis at this time upon which to project future growth or profitability.

Since its revenues are dependent upon the outcome of direct marketing programs undertaken by the Company, for which no reasonable estimates are possible, management is uncertain as to the trends of its revenues and net income, although the Company is unlikely to realize significant increases in revenues or net income in the short term.

In connection with the Company's plans to offer hard goods for sale, the Company obtained a "merchant account" from a bank (the "Bank"), as of April, 1992, which account enables the Company to accept as payment for such hard goods Visa or Mastercard charges. This account now allows the Company to offer hard goods for sale by solicitations made through mail order or television, a source the Company could not access in the past because of its inability to accept credit purchases of its goods.

The Bank is to receive a fee of 3.42% per transaction for providing the merchant account to the Company. In addition, a reserve of 3% of gross sales per promotion will be retained by the Bank for a period of six months. Payment of the balance of the charged amount is made by the Bank to the Company, within 72 hours of the goods being shipped to the consumer, by direct deposit into an account maintained by the Company at the Bank for that purpose. The Bank has also reserved the right to approve which promotions may utilize the merchant account for payment.

During the Current Quarter, the Board of Directors reorganized management's salaries and determined that it was in the Company's best interest to decrease the salaries paid to its executive officers. As a consequence, the annual salaries of each of Messrs.

Ostroff and Hellinger have decreased from $260,000 to $208,000; Mr. De Boyace's annual salary has decreased from $130,000 to $93,600.

Liquidity and Capital Resources

The Company's principal sources of operating capital during the Current Quarter were provided through operations and short term borrowings. The Company has no long term debt.

A predominant portion of the Company's operating capital was provided through the financing of receivables generated in its direct response marketing business. Without these arrangements, the Company's cash flow would be adversely effected. It is not unusual for long distance carriers such as AT&T and MCI to take in excess of ninety (90) days to collect and pay over direct response fees to the Company. Thus, the Company's financing arrangements provide critically needed cash flow which, in turn, permits the Company to undertake the development of additional programs and the conduct of additional advertisements.

Working capital and retained earnings decreased 44% to $177,627 and 74% to $52,668, respectively, in the six-month period ended February 29, 1992, as compared to the fiscal year ended August 31, 1991 ("Fiscal 1991"), primarily due to a decrease in accounts receivable as a consequence of discontinuing certain of the Company's direct mail programs which had become unprofitable.

Accounts receivable are reflected on the Company's financial statements net of an allowance for chargebacks. Chargebacks are costs, similar to an allowance for doubtful accounts, which arise from direct response telephone calls that are not paid for by the consumer. If the consumer does not pay, the Company does not receive the revenue from the telephone call. Since the Company cannot determine which calls will not be paid for and, therefore, which calls will generate receivables that are not collectible; the Company must establish a reasonable reserve. Based on the total receivables, the Company has established a chargeback reserve to offset any holdbacks which may later be imposed on the Company. The amount of the reserve is determined quarterly by comparing the amount of the prior quarter's actual chargebacks, computing that figure as a percentage of service revenues for the quarter and applying that percentage to the total receivables for the quarter. Historically, the Company's chargebacks have averaged approximately 5% of service revenues.

A significant portion of the net cash used in investing activities ($104,465) represented the purchase of a certificate of deposit pledged as security for the Company's line of credit facility. The Company's line of credit in the approximate

principal amount of $190,000 was repaid during the six-month period ended February 29, 1992.

During the Current Quarter, the Company received notification from the Federal Trade Commission (the "FTC") that it had commenced an inquiry into the general business and operations of the Company without specifying that any particular program or practice of the Company was the subject of such investigation. The Company has indicated its willingness to comply with all requests and to fully assist the FTC in connection with this investigation. To date, the Company has no indication of the outcome of the investigation and, because of the early nature thereof, cannot speculate on the eventual results.

During February 1992, the Attorney General of the State of New Jersey instituted a lawsuit naming the Company, certain of its subsidiaries and certain officers and directors as defendants. In its Complaint, the Attorney General alleges that certain of the Company's direct mail programs are deceptive and misleading and seeks among others, an injunction against continuing such promotions, engaging in any "900" number business and unspecified civil penalties. Negotiations between the Company and the Attorney General have commenced and the Company is hopeful that a settlement of this action will be forthcoming in the near future. For that reason, the Company's financial statements for the Current Quarter reflect a reserve of $170,000, which management believes will be sufficient to pay the estimated expenses connected with this lawsuit. Although the Company maintains that such promotions comply with all applicable laws, there can be no assurances as to the eventual outcome of the settlement negotiations or the action itself; however, should all of the remedies sought be imposed on the Company, it is likely that such action will have an adverse impact on the Company's future results of operations, liquidity and capital resources.

Also during February 1992, the Company settled an investigation into certain of its direct mail programs instituted by the Attorney General of the State of New York through the payment through the payment of $20,000, representing payment of the Attorney General's costs and expenses associated with such investigation and by offering refunds to certain consumers who had participated in the promotion. No penalties or sanctions were levied against the Company.

In an effort to diversify its core business, in February 1992 the Company established Camino Marketing, Inc. ("Camino"), a wholly-owned subsidiary, to engage in activities which were to have focused on the use of television and other sources of media to undertake the direct marketing of goods, particularly in the Los Angeles, California area, principally to the Hispanic community.

The Company had intended to commit at least $150,000 to be utilized to fund Camino's (i) initial overhead and operating expenses; and (ii) initial promotional and other extraordinary expenses in accordance with a pre-approved budget.

In conjunction with the formation of Camino, in February, 1992, the Company secured certain employment arrangements with an individual experienced in the direct marketing industry to operate Camino as its Chief Executive Officer (the "Executive") for a period of at least three years. Subsequent to February, certain controversies have developed between the Company and the Executive. The Company is currently attempting to resolve any and all such controversies with the Executive in an amicable fashion, however, there can be no assurances to this effect. Until such time as these controversies have been resolved, the Company has ceased all further operations of Camino and intends to commit no additional funds to Camino.

Based upon expected operating performance and financing commitments, management believes that internally generated funds and short term borrowings on existing credit lines will provide adequate resources for supporting projected growth during the remainder of this fiscal year ("Fiscal 1992").

In recognition of the increased regulatory scrutiny being applied in the audiotex industry, particularly with regard to "900" number programs, and in light of substantial negative publicity surrounding the "900" number industry, in general, as well as increased regulations restricting the activities of providers of audiotex services, management believes that a material contraction in the industry, as well as its own operations, may be likely to continue. Having recognized this possibility, management has formulated and has begun to implement ventures outside of the audiotex industry, but remaining within the direct response marketing industry. In this regard, the Company is working to expand the direct marketing of hard goods, both through advertising by direct mail and by television commercials and infomercials, in addition to continuing to develop and expand its service bureau and media buying activities during the remainder of Fiscal 1992.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

On February 21, 1992, the Attorney General of the State of New Jersey instituted an action in the Superior Court of New Jersey, Chancery Division - Burlington Co., (Docket No. BUR-C-20-90) against the Company, Infotrax, Inc., Advanced Marketing and Promotions, Inc., Consumer News Service, Inc. and two of the Company's directors, alleging deceptive and misleading practices in connection with certain of the Company's direct mail promotions, seeking, among others, an injunction against the continuation of such deceptive and misleading practices and from engaging in any business which conducts "900" number marketing and sales, the assessment of unspecified civil penalties and the refund by the Company of any monies acquired from consumers who participated in the subject promotions.

Although management of the Company believes that the allegations contained in the complaint are without merit and is diligently pursuing the defense thereof, it can make no assessment as to the outcome of the action at this time. Should the Company be required to comply with all of the demands of the litigation, the implementation of such actions or injunctions are likely to have an adverse impact on the Company's future results of operations.

Item 2. Changes in Securities

On September 13, 1991, the Board of Directors of the Company resolved to adopt a plan of exchange ("Exchange Offer") in which holders of the Company's outstanding redeemable Class B common stock purchase warrants (the "Class B Warrants") would, be given the option to exchange each denomination of ten (10) Class B Warrants for a newly issued exchange unit (the "Exchange Unit"), consisting of two (2) shares of the Company's common stock, four (4) redeemable Class C common stock purchase warrants (the "Class C Warrants") and one (1) redeemable Class D common stock purchase warrant (the "Class D Warrant").

The Company has elected to temporarily postpone the Exchange Offer due to unfavorable conditions in the marketplace at this time. An evaluation will be made by management in the near term as to whether to terminate or reinitiate considerations regarding the Exchange Offer.

Item 3. **Defaults Upon Senior Securities**

None.

Item 4. **Submissions of Matters to a Vote of Security Holders**

None.

Item 5. **Other Information**

(a) February 10, 1992, a wholly-owned subsidiary, Camino Marketing, Inc., was formed in Delaware to engage, through the use of television and other media, in the direct marketing of goods in the Los Angeles, California area.

(b) On February 28, 1992, Ronald Slack tendered his resignation as a director of the Company, which resignation was accepted. A successor has not been named to fill the vacancy occasioned by Mr. Slack's resignation.

(c) On April 15, 1992, Robert De Boyace resigned as an officer and director of the Company and as an officer of each of the Company's subsidiaries. Mr. De Boyace was not a director of any of the subsidiaries. A successor has not been named to fill the vacancy in the Company's Board of Directors occasioned by Mr. De Boyace's resignation; however, Mr. Donald Hellinger has, as of May 11, 1992, been elected to the office of Secretary of the Company and each of its subsidiaries to fill the vacancies occasioned by Mr. De Boyace's resignations.

Item 6. **Exhibits and Reports on Form 8-K**

(a) The following Exhibits are attached hereto and are incorporated by reference:

Exhibit 22 - List of Subsidiaries

(b) The Registrant has filed the following Current Reports on Form 8-K:

(i) Current Report on Form 8-K filed with the Securities and Exchange Commission (the "Commission") on March 2, 1992 relating to the institution of litigation by the New Jersey Attorney General and the settlement of the investigation instituted by the New York Attorney General.

(ii) Current Report on Form 8-K filed with the Commission on March 5, 1992 relating to the resignation of a director, the extension of the expiration date of the Company's Class B Warrants and the temporary postponement of the previously announced exchange offer with respect to the Class B Warrants.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf of the undersigned hereunto duly authorized.

Dated: May 11, 1992

INFOTRAX COMMUNICATIONS, INC.

By: _____
Robert Ostroff, President

EXHIBIT 22

Subsidiaries

Advanced Marketing and Promotions, Inc.
Infotrax, Inc.
Consumer News Service, Inc.
Touch Tone Entertainment, Inc.
Advanced List Marketing, Inc.
Laurel Mint, Inc.
Camino Marketing, Inc.
Interactive Strategic Marketing, Inc.